

liability for penalties under any of the chapters specified in s. 72.011(1) may be settled or compromised if it is determined by the department that the noncompliance is due to reasonable cause and not to willful negligence, willful neglect, or fraud. The facts and circumstances are subject to de novo review to determine the existence of reasonable cause in any administrative proceeding or judicial action challenging an assessment of penalty under any of the chapters specified in s. 72.011(1). A taxpayer who establishes reasonable reliance on the written advice issued by the department to the taxpayer will be deemed to have shown reasonable cause for the noncompliance. In addition, a taxpayer's liability for penalties under any of the chapters specified in s. 72.011(1) in excess of 25 percent of the tax shall be settled or compromised if the department determines that the noncompliance is due to reasonable cause and not to willful negligence, willful neglect, or fraud. The department shall maintain records of all compromises, and the records shall state the basis for the compromise. The records of compromise under this paragraph shall not be subject to disclosure pursuant to s. 119.07(1) and shall be considered confidential information governed by the provisions of s. 213.053.

(8) In order to determine whether certified audits are an effective tool in the overall state tax collection effort, the executive director of the department or the executive director's designee shall settle or compromise penalty liabilities of taxpayers who participate in the certified audits project. As further incentive for participating in the program, the department shall abate the first \$25,000 of any interest liability and 25 percent of any interest due in excess of the first \$25,000. A settlement or compromise of penalties or interest pursuant to this subsection shall not be subject to the provisions of paragraph (3)(a), except for the requirement relating to confidentiality of records. The department may consider an additional compromise of tax or interest pursuant to the provisions of paragraph (3)(a). This subsection does not apply to any liability related to taxes collected but not remitted to the department. This subsection is repealed on July 1, 2006 2002.

(9) A penalty for failing to collect a tax imposed by chapter 212 shall be settled or compromised upon payment of tax and interest if a taxpayer failed to collect the tax due to a good faith belief that tax was not due on the transaction and, because of that good faith belief, the taxpayer is now unable to charge and collect the tax from the taxpayer's purchaser. The Department of Revenue shall adopt rules necessary to implement and administer this subsection, including rules establishing procedures and forms.

(10)(a) Effective July 1, 2003, notwithstanding any other provision of law and solely for the purpose of administering the tax imposed by chapter 212, under the circumstances set forth in this subsection, the department shall settle or compromise a taxpayer's liability for penalty without requiring the taxpayer to submit a written request for compromise or settlement.

(b) For taxpayers who file returns and remit tax on a monthly basis:

1. Any penalty related to a noncompliant filing event shall be settled or compromised if the taxpayer has:

a. No noncompliant filing event in the immediately preceding 12-month period and no unresolved chapter 212 liability resulting from a noncompliant filing event; or

b. One noncompliant filing event in the immediately preceding 12-month period, resolution of the current noncompliant filing event through payment of tax and interest and the filing of a return within 30 days after notification by the department, and no unresolved chapter 212 liability resulting from a noncompliant filing event.

2. If a taxpayer has two or more noncompliant filing events in the immediately preceding 12-month period, the taxpayer shall be liable, absent a showing by the taxpayer that the noncompliant filing event was due to extraordinary circumstances, for the penalties provided in s. 212.12, including loss of collection allowance, and shall be reported to a credit bureau.

(c) For taxpayers who file returns and remit tax on a quarterly basis, any penalty related to a noncompliant filing event shall be settled or compromised if the taxpayer has no noncompliant filing event in the immediately preceding 12-month period and no unresolved chapter 212 liability resulting from a noncompliant filing event.

(d) For purposes of this subsection:

1. "Noncompliant filing event" means a failure to timely file a complete and accurate return required under chapter 212 or a failure to timely pay the amount of tax reported on a return required by chapter 212.

2. "Extraordinary circumstances" means the occurrence of events beyond the control of the taxpayer, such as, but not limited to, the death of the taxpayer, acts of war or terrorism, natural disasters, fire, or other casualty, or the nonfeasance or misfeasance of the taxpayer's employees or representatives responsible for compliance with the provisions of chapter 212. With respect to the acts of an employee or representative, the taxpayer must show that the principals of the business lacked actual knowledge of the noncompliance and that the noncompliance was resolved within 30 days after actual knowledge.

Section 34. Subsection (2) of section 213.24, Florida Statutes, is amended to read:

213.24 Accrual of penalties and interest on deficiencies; deficiency billing costs.—

(2)(a) Billings for deficiencies or automated refunds of tax, penalty, or interest shall not be issued for any amount less than the actual costs incurred by the department to produce a billing or automated refund.

(b) The cost of issuing billings or automated refunds for any tax enumerated in s. 213.05 shall be computed in a study performed by the inspector general of the department. The study shall be conducted every 3 years and at such other times as deemed necessary by the inspector general. A minimum billing and automated refund amount shall be established and adjusted in accordance with the results of such study.

(c) Any change in minimum billing or automated refund amounts ~~amount~~ shall be made effective on July 1 following the completion of the study.

Section 35. Subsection (4) of section 213.255, Florida Statutes, is amended to read:

213.255 Interest.—Interest shall be paid on overpayments of taxes, payment of taxes not due, or taxes paid in error, subject to the following conditions:

(4) Interest shall not commence until 90 days after a complete refund application has been filed and the amount of overpayment has not been refunded to the taxpayer or applied as a credit to the taxpayer's account. However, if there is a prohibition against refunding a tax overpayment before the first day of the state fiscal year, interest on the tax overpayment shall not commence until August 1 of the year the tax was due. If the department and the taxpayer mutually agree that an audit or verification is necessary in order to determine the taxpayer's entitlement to the refund, interest shall not commence until the audit or verification of the claim is final.

Section 36. Paragraph (c) of subsection (2) of section 213.285, Florida Statutes, is amended to read:

213.285 Certified audits.—

(2)

(c) The certified audits project is repealed on July 1, ~~2006~~ 2002, or upon completion of the project as determined by the department, whichever occurs first.

Section 37. Subsection (3) is added to section 213.30, Florida Statutes, to read:

213.30 Compensation for information relating to a violation of the tax laws.—

(3) Notwithstanding any other provision of law, this section is the sole means by which any person may seek or obtain any moneys as the result of, in relation to, or founded upon the failure by another person to comply with the tax laws of this state. A person's use of any other law to seek or obtain moneys for such failure is in derogation of this section and conflicts with the state's duty to administer the tax laws.

Section 38. Effective January 1, 2003, section 213.755, Florida Statutes, is amended to read:

213.755 Filing of returns and payment of taxes by electronic means funds transfer.—

(1) The executive director of the Department of Revenue shall have authority to require a taxpayer to file returns and remit payments ~~taxes~~ by